

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Arlington Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 10, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a slight modification to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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ARLINGTON RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 13 years: 6.00% increases

RP-2014 adjusted to 2006, projected generationally using MP-2019, 7.00% Discount Rate

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2022	3,092,471	144,553,451	11,644,370	(109,786)	14,627,054	6.00%
2023	3,231,632	139,564,326	12,382,832	(109,786)	15,504,677	6.00%
2024	3,377,056	136,375,351	13,167,689	(109,786)	16,434,958	6.00%
2025	3,529,023	128,592,923	14,001,819	(109,786)	17,421,056	6.00%
2026	3,687,829	122,612,481	14,888,276	(109,786)	18,466,319	6.00%
2027	3,853,782	115,264,900	15,830,303	(109,786)	19,574,298	6.00%
2028	4,027,202	106,395,019	16,831,341	(109,786)	20,748,756	6.00%
2029	4,208,426	95,833,135	17,895,042	(109,786)	21,993,681	6.00%
2030	4,397,805	83,393,760	19,025,284	(109,786)	23,313,302	6.00%
2031	4,595,706	68,874,270	20,226,181	(109,786)	24,712,100	6.00%
2032	4,802,513	52,053,456	21,502,100	(109,786)	26,194,826	6.00%
2033	5,018,626	32,689,951	22,857,676	(109,786)	27,766,516	6.00%
2034	5,244,464	10,520,534	10,520,534	(109,786)	15,655,211	-43.62%
2035	5,480,465	-	-	(109,786)	5,370,679	-65.69%

Amortization of Unfunded Liability as of July 1, 2021

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2022	Fresh Start	N/A	N/A	13	N/A	13

* Includes recognition of the following asset gains/(losses) in Fiscal 2023 through 2025:

2023	\$2,648,391
2024	(\$291,152)
2025	\$3,239,276

** Contributions are set to be the amount resulting from a 6% increase on the prior year's contribution. The contribution in FY2034 decreases by -43.62%.